

**AGENDA ITEM 5  
AUDIT RESOLUTION STATUS  
TRACKING REPORT – HEALTH PLAN AUDITS  
(PRIOR YEAR REPORTS WITH CURRENT YEAR UPDATES)  
AS OF DECEMBER 31, 2005**

<b>Name of Auditee (Report Issue Date)</b>	<b>Summary of Findings</b>	<b>Status/Comments</b>
California Correctional Peace Officers Association (CCPOA) (7/22/03)	2. California Correctional Peace Officers Association should annually report its reserve fund balance to CalPERS.	IN PROGRESS. CalPERS is reviewing the value of implementing this recommendation.
Office of Long-Term Care (OLTC) (7/25/03)	2. CalPERS Office of Long-Term Care should require that Long Term Care Group work with the independent actuary to reconcile critical data elements before preparing an annual valuation report.	IN PROGRESS. CalPERS' Office of Long Term Care has not yet secured a contract with an independent actuary.
Long-Term Care Group (Third-Party Administrator of the Long Term Care Program) (7/28/03)	1. Due to system upgrades the contract did not reflect current operations.  4. Long Term Care Group should perform an annual reconciliation of total member count and premium received.	IN PROGRESS. The Office of Long Term Care and Long Term Care Group are working together to evaluate the monthly reports and determine if any changes in reporting requirements are necessary. This will be completed when the current contract expires 12/31/05 and a new contract is finalized.  IN PROGRESS. The Office of Long Term Care and Long Term Care Group are working together to determine whether a reconciliation is feasible.
Blue Shield of California (8/16/04)	1.1 Blue Shield should ensure it either meets the financial size category rating required in the contract, or work with Health Benefits Branch to re-evaluate the minimum requirements for directors' and officers' liability insurance.	COMPLETE. An executed agreement was completed in August 2005.
Third Party Administration of Long Term Care Program (Long Term Care Group) (9/24/04)	1. The Long Term Care Group should conduct a member satisfaction survey. (Finding carried forward from the Long Term Care Group audit from fiscal year 2003/2004).	IN PROGRESS. The Long Term Care Group indicated that it would conduct a member satisfaction survey during the first quarter of 2005.

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Third Party Administration of Long Term Care Program (Long Term Care Group) (9/24/04) (Continued)	2. The Long Term Care Group should convert to the new Financial Management System.	IN PROGRESS. The Long Term Care Group and CalPERS are continuing discussions to determine the appropriate time to implement.
Blue Cross Third Party Administrator Contract Compliance (1/14/05)	2. The claims unit did not adequately document monitoring efforts.	IN PROGRESS. Blue Cross has committed to re-formatting quarterly reports, providing additional training and ensuring reports are signed and dated.
	4. Case files from the Special Investigations Unit contained incomplete or missing information, did not document all actions taken, or were missing altogether.	IN PROGRESS. Blue Cross has implemented a new computer-based tracking system for all referrals and investigations.
	5. Blue Cross submitted a compliance report after the deadline required in the contract.	IN PROGRESS. Blue Cross has implemented process changes in its account management unit to more effectively manage the timely delivery of reports to CalPERS.
	6. Blue Cross did not meet the Member Satisfaction Survey guarantee.	IN PROGRESS. Blue Cross believes that this was the result of CalPERS implementing mid-year plan changes and premium increases. Blue Cross expects the 2003 survey to show improvement.